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CLERK OF COURT  
COLUMBIA, SOUTH CAROLINA

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF SOUTH CAROLINA

In re:	)	
	)	B/K Case No. 02-02622-W
THE LONG TERM CARE FOUNDATION,	)	
	)	Chapter 7
Debtor.	)	
_____	)	

**TO: All Creditors and Parties in Interest**

**NOTICE AND APPLICATION FOR SALE OF PROPERTY AND TO ASSUME AND  
ASSIGN CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS**

YOU ARE HEREBY NOTIFIED that the Trustee in this case is applying for approval to sell the property of the debtor's estate described below according to the terms and conditions stated below, and to assume and assign certain unexpired leases and executory contracts.

TAKE FURTHER NOTICE that any response, return and/or objection to this application, should be filed with the Clerk of the Bankruptcy Court no later than 20 days from service of the motion/application and a copy simultaneously served on all parties in interest.

TAKE FURTHER NOTICE that no hearing will be held on this application unless a response, return and/or objection is timely filed and served, in which case, the Court will conduct a hearing on **July 11, 2002 at 1:30 o'clock p.m.** in the United States Bankruptcy Court, 1100 Laurel Street, Columbia, South Carolina. No further notice of this hearing will be given.

TYPE OF SALE: Private

PROPERTY TO BE SOLD: Certain facilities, identified as Kinnic Long Term Care (the "Facility" or "Kinnic"), together with their associated assets, including, without limitation, personal property relating to the Facility and provider agreements, licenses and unexpired leases and executory contracts. The Facility is located in River Falls, Wisconsin.

A list of the unexpired leases and executory contracts to be assumed and assigned as part of this transaction, as well as the underlying Asset Purchase Agreement are quite voluminous, and will be provided to any party making a written request upon the undersigned.

**NOTICE: THE TRUSTEE IS SELLING THE ABOVE-REFERENCED PROPERTY "AS IS," WITH NO WARRANTIES WHATSOEVER. THE BUYER AGREES TO RECEIVE THE PROPERTY WITH ALL FAULTS. THE TRUSTEE MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE PROPERTY, AND SPECIFICALLY EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR USE. PROPERTY TO BE CONVEYED BY QUIT CLAIM DEED OR BILL OF SALE.**

**THE BUYER HAS BEEN GIVEN THE OPPORTUNITY TO EXAMINE THE PROPERTY BEFORE SIGNING ANY CONTRACT OR SUBMITTING A BID TO PURCHASE THE PROPERTY, AND TO PERFORM SUCH TESTING, IF APPLICABLE, TO DETECT POSSIBLE LATENT DEFECTS.**

PRICE: Approximately and not less than \$2,315,000.00. This amount includes the assumption of the bond indebtedness in the amount of \$2,215,000, plus interest and other charges owing to Wells Fargo Bank Wisconsin, National Association ("Wells Fargo"), and a cash payment of \$25,000.00 direct to the bankruptcy estate.

APPRAISAL VALUE: Based upon current market conditions, the Trustee has been informed and believes that the purchase price is equal to the appraised value.

BUYER: Heyde Health System Ecumenical Foundation, Inc., or its assigns  
(Good faith purchaser for value who has no interest in this case, and no relation with the debtor).

SALES AGENT/AUCTIONEER/BROKER: n/a

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: n/a

ESTIMATED TRUSTEE'S COMPENSATION: Reasonable compensation to be determined by the court, but not to exceed the limits set forth in 11 U.S.C. § 326(a), which amount shall be included in the Proceeds Estimated to Be Paid to Estate as set forth below.

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: To the best of the Trustee's knowledge and belief, the Debtor is obligated to Wells Fargo, as the Indenture Trustee, in the approximate amount of \$2,215,000 plus interest and other charges, which is secured by the Kinnic assets. The Buyer is purchasing Kinnic and its accompanying assets subject to the lien and interests of Wells Fargo, and, as set forth above, and will assume the related bond indebtedness.

The Trustee is not aware of any other liens, judgments or encumbrances against Kinnic and accompanying assets. The Buyer has been given an opportunity to perform its own due diligence to determine the existence of any other liens against this property. The Buyer is purchasing this property subject to any other liens and agrees to bring current (as applicable) and provide adequate assurance of future performance to the unexpired leases and executory contracts.

DEBTOR'S EXEMPTION: n/a

PROCEEDS ESTIMATED TO BE PAID TO ESTATE: \$25,000

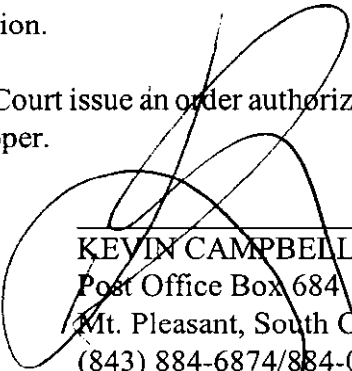
**Applicant requests that the ten (10) day stay pursuant to Fed.R.Bankr.P. 6004(g) be waived in this matter and that upon the entry of the Order the Trustee be allowed to immediately enforce and implement the terms of said Order.**

The Trustee is informed and believes that it would be in the best interest of the Estate to sell said property by private sale. The Trustee also believes that the funds to be recovered by the Estate from the sale of said property justify its sale and the filing of this application.

The Court may consider additional offers at any hearing held on this notice and application of sale. The Court may order a any hearing that the property be sold to another party on equivalent or more favorable terms.

The Trustee may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice and application.

WHEREFORE, applicant requests the Court issue an order authorizing sale of said property and such other and further relief as may be proper.

  
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KEVIN CAMPBELL, TRUSTEE  
Post Office Box 684  
Mt. Pleasant, South Carolina 29465  
(843) 884-6874/884-0997(fax)  
District Court I.D. No. 30

Mt. Pleasant, South Carolina  
This 23 day of May, 2002.